

APPENDIX J

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Agreement") is made by and between the Economic Development Authority of the City of Newport News, Virginia ("EDA") and the Southeastern Universities Research Association, Inc. ("SURA"), acting in its capacity as the management and operating contractor for the Thomas Jefferson National Accelerator Facility ("Jefferson Lab").

This Agreement specifies the operating and maintenance services ("O&M Services") and the environment health and safety ("EH&S") advisory services ("EH&S Advisory Services") to be provided by Jefferson Lab for the EDA's Applied Research Center Building ("ARC Building") in accordance with Lease No. REOSURA-5-97-C002 and its subsequent modifications thereto (collectively the "Lease")

The parties agree that Jefferson Lab shall provide the following O&M Services in accordance with its Department of Energy ("DOE") contract DE-AC05-84ER40150 (the "Contract"):

- Utilities (including water, sewer, electricity, and gas, but excluding permits required by regulatory agencies) - maintenance and verification of bills

- Security services

- Building maintenance (including electrical, mechanical, HVAC)

- Minor repairs and refurbishing (the annual fiscal year total of which is not to exceed the annual budget mutually agreed upon by the parties; to and include such services as interior painting, minor repairs to windows, walls, floors, carpeting, etc.)

- Janitorial Services

- Grounds maintenance

- Refuse removal, excluding controlled or regulated waste of tenants in the ARC Building other than Jefferson Lab ("Non-Lab Tenants")

- Pest control

- Internal moves and meeting set-ups

- Catering (non-exclusive but available to all tenants)

- Vending services (with segregated receipts)

- Shipping & receiving and mail distribution

- Elevator inspection and maintenance

- Fire alarm systems maintenance

The EDA agrees to reimburse Jefferson Lab for the reasonable cost of O&M Services provided for the ARC Building Non-Lab Tenants and unoccupied space. The parties agree that such cost shall be credited toward the Jefferson Lab monthly lease payments under the Lease.

The parties agree that Jefferson Lab shall provide EH&S Advisory Services to the EDA for space occupied by and activities performed by Non-Lab Tenants and make available to all Non-Lab Tenants Jefferson Lab's EH&S training programs. Advice and consultation to the EDA concerning space occupied and activities performed by Non-Lab Tenants shall be based upon practices and policies currently in use at Jefferson Lab and which are documented in the Jefferson Lab EH&S Manual, which shall be referenced in the Rules and Regulations attached to the leases of Non-Lab

Tenants. Jefferson Lab EH&S staff, in coordination with the EDA, shall conduct periodic advisory inspections of the premises and activities of Non-Lab Tenants. Non-Lab Tenants shall be notified of issues and recommendations resulting from these inspections. The EDA has and shall continue to provide in all tenant leases that the tenant must comply with all local, state and federal laws, statutes, ordinances, regulations and rules, as well as the Rules and Regulations of the ARC Building attached to each such lease.

The parties further agree that the EDA is responsible for (1) the structural integrity of the ARC Building; (2) the collection of rental receipts from ARC Building tenants; (3) the search for potential tenants to occupy vacant space to include Jefferson Lab's concurrence on proposed tenants; and (4) maintenance of liability and property damage insurance policies with DOE and SURA as additional named insureds.

The parties anticipate more detailed arrangements to supplement this Agreement covering the full scope of the collaborative efforts between and among the parties, consistent with the Contract and with the terms and conditions of the Lease. However, none of these supplemental agreements shall supersede, contradict, or take exception, to the terms of this Agreement

Economic Development Authority of the
City of Newport News, Virginia

Southeastern Universities Research Center
Association, Inc., acting in its capacity as
the management and operating contractor for
the Thomas Jefferson National
Accelerator Facility

By: 

Title: Secretary-Treasurer

Date: 10-1-98

By: 

Title: Associate Director for Administration

Date: October 1, 1998

**Department of Energy**

Oak Ridge Operations Office
Thomas Jefferson National
Accelerator Facility Site Office
12000 Jefferson Avenue
Newport News, Virginia 23606

March 27, 1997

Mr. Paul F. Miller
Secretary/Treasurer
City of Newport News
Economic Development Authority
2400 Washington Avenue
Newport News, VA 23607

Dear Mr. Miller:

LEASE OF COMMERCIAL SPACE; LEASE NO. REORSURA-5-97-C002

Enclosed are five copies of the lease for 35,000 net usable square feet of office, support, and special space in the ARC Building. If this meets with your approval, please sign all copies, retaining one copy for your file and returning the four originals to my attention. Should you have any questions concerning these documents, please contact me at 269-7143.

Please direct all invoices in support of this lease agreement to the following address:

Thomas Jefferson National Accelerator Facility
Southeastern Universities Research Association, Inc.
Attn: Tom Dunn, Mail Stop 28G
12000 Jefferson Avenue
Newport News, VA 23606

It is a pleasure to further the cooperation and collaboration cultivated between the City, the Department of Energy, and SURA. The benefits of these leading and nationally recognized institutions will further research and development programs for years to come. The steadfast dedication of all parties involved in the negotiation of this acquisition has been truly appreciated.

Sincerely,

A handwritten signature in dark ink, reading "James W. Skinner", is written over the typed name.

James W. Skinner
Contracting Officer

Enclosures

LEASE OF REAL PROPERTY

DATE OF LEASE	LEASE NO.
	REORSURA-5-97-C002

THIS LEASE, made and entered into this date by and between the Economic Development Authority of the City of Newport News, whose address is:

c/o Department of Planning
2400 Washington Avenue
Newport News, Virginia 23607

and whose interest in the property hereinafter described is that of Owner, hereinafter called the "Lessor," and Southeastern Universities Research Association, Inc., hereinafter called the "Company," acting under its Contract No. DE-AC05-84ER-40150 with the United States Department of Energy, hereinafter called "DOE."

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Company the following described premises:

Building space to consist of 35,000 net usable square feet. The building will be located at 12050 Jefferson Avenue, Newport News, Virginia 23606. The leased space shall be provided in accordance with the attached document entitled "Section VIII. Requirements," which is made a part hereof and is to be used for office, support and special (laboratory) space. A plan of the premises is attached and made a part hereof.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on October 1, 1997 through September 30, 2007, subject to the termination and renewal rights as may be hereinafter set forth.
3. The Company shall pay the Lessor annual rent in accordance with the following rate schedule, per month, in arrears.

	Term	Yearly	Monthly
Year 1- 2	10/1/97 - 9/30/99	\$438,542	\$36,545.17
Year 3- 4	10/1/99 - 9/30/01	\$460,563	\$38,380.25
Year 5- 6	10/1/01 - 9/30/03	\$483,632	\$40,302.67
Year 7- 8	10/1/03 - 9/30/05	\$507,776	\$42,314.67
Year 9-10	10/1/05 - 9/30/07	\$533,319	\$44,443.25

Rent for a lesser period shall be prorated. Rent checks shall be made payable to: the Economic Development Authority of the City of Newport News, Virginia.

4. This lease may be renewed at the option of the Company for the following terms and at the following rentals:

Option I: Lease to the Company 35,000 net usable square feet as stated in Article 1 above, for the period October 1, 2007 through September 30, 2012, in accordance with the following rate schedule, per month, in arrears:

	Term	Yearly	Monthly
Year 11-12	10/1/07 - 9/30/09	\$559,958	\$46,663.17
Year 13-14	10/1/09 - 9/30/11	\$587,997	\$48,999.75
Year 15	10/1/11 - 9/30/12	\$617,459	\$51,454.92

Option II: Lease to the Company 35,000 net usable square feet as stated in Article 1 above, for the period October 1, 2012 through September 30, 2017, in accordance with the following rate schedule, per month, in arrears:

	Term	Yearly	Monthly
Year 16	10/1/12 - 9/30/13	\$617,459	\$51,454.92
Year 17-18	10/1/13 - 9/30/15	\$648,343	\$54,028.58
Year 19-20	10/1/15 - 9/30/17	\$680,674	\$56,722.83

5. The Company may terminate this lease in whole or from time to time in part whenever determined that such action is in the best interest of the Company. In the event of termination in whole or in part, the Company shall provide Lessor not less than one year (12 months) written notice in advance. Rental payments after total termination shall be payable through the time the Company occupies the premises. Rental payments after partial termination shall be reduced in proportion to the related reduction in occupancy of the premises. Said notice shall be computed commencing with the day after the date of mailing.
6. The Lessor shall furnish to the Company, as part of the rental consideration, and at no additional cost to the Company, the following:
- All taxes and levies, including real estate
 - Utilities, including water and sewer services, electricity, and/or gas service
 - Casualty insurance
 - Janitorial services
 - Landscaping and mowing of grounds
 - Building maintenance, including, but not limited to, heating, air conditioning, and electrical maintenance items
 - Parking
7. The following are attached and made a part hereof:
- General Clauses (GSA 3517) (Note: Until such time as the Company's rights and obligations hereunder may be transferred to DOE in accordance with paragraph 8. below, the terms "Government," "agency," and "Contracting Officer" in GSA Form 3517 shall be construed to mean the Company unless the context clearly requires otherwise.)
 - Representations and Certifications (GSA 3516) as executed by the Lessor on August 8, 1996
 - Unit Costs for Adjustment(s) as executed by the Lessor on August 8, 1996

NOVEMBER 20,

[Signature]

[Signature]

8. **Assignment.** It is understood that the Company is authorized to and will make payment hereunder from Government funds advanced and agreed to be advanced to it by DOE, unless specifically provided for herein; and that with either DOE written approval or upon termination of said Contract No. DE-AC05-84ER-40150 between the Company and DOE, administration of this lease may be transferred from the Company to DOE or its designee, and in case of such transfer and notice thereof to the Lessor, the Company shall have no further responsibility hereunder; and that nothing herein shall preclude liability of the Government for any payment properly due hereunder if for any reason such payment is not made by the Company from such Government funds.
9. Within 15 days after award of the lease, the Lessor shall submit:
- A tentative schedule for construction of the property giving the dates on which the various phases of construction will be completed to coincide with the Company's required occupancy date;
 - Evidence of award of a construction contract;
 - Evidence of application for necessary building permit(s); and
 - Biweekly progress reports, after the start of construction, specifying the percentage of the work completed, explaining any delays encountered, and stating the expected completion and occupancy dates.
10. This lease shall be subject to the approval of DOE and shall not be binding unless so approved.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

ECONOMIC DEVELOPMENT AUTHORITY
THE CITY OF NEWPORT NEWS

BY: _____

TITLE: _____

DATE: _____

SOUTHEASTERN UNIVERSITIES
RESEARCH ASSOCIATION, INC.

BY: _____

TITLE: _____

DATE: _____

CHAIRMAN

7/17/97

Secretary & General Counsel

August 6, 1997